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Viewing cable 08BERN612, BILATERAL RELATIONSHIPS WITH SWITZERLAND AND THE

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Reference ID	Created	Released	Classification	Origin
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FM AMEMBASSY BERN
TO SECSTATE WASHDC 5485
INFO EUROPEAN POLITICAL COLLECTIVE

2008-12-02 14:39:00 08BERN612 Embassy Bern CONFIDENTIAL R 021439Z DEC 08
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SUBJECT: BILATERAL RELATIONSHIPS WITH SWITZERLAND AND THE
PRINCIPALITY OF LIECHTENSTEIN

Classified By: AMB. P. CONEWAY FOR REASON 1.4 (b) and (d)

(U) As I approach the end of my two and one-half year tenure in Bern, I would like to share a few thoughts regarding our relationship with Switzerland and Liechtenstein. I hope that these observations will be helpful to my successor and others concerned to better understand the opportunities and

challenges we face in dealing with these very successful, but frequently frustrating alpine democracies.

(U) Special thanks to our dedicated staff of career professionals at Embassy Bern and at the EUR/CE Switzerland desk in Washington for their contributions to this document and their important role in the bilateral relationship.

Historical Context

(U) The quintessential element of Switzerland's foreign policy is its centuries-old tradition of neutrality. In Liechtenstein's case, neutrality was adopted after World War I. This, alongside the country's unique system of direct democracy, is considered by the Swiss to be one of the two main factors in the country's remarkable historical success. During the last century, when the rest of Europe suffered horrific human and material losses in wars and revolutions, Switzerland remained an island of democratic stability. In a turbulent Europe, the Swiss were at peace. No Swiss factories were bombed, the infrastructure was slowly perfected, and the country's banks (and even its real estate agents) thrived on its proven track record as a safe haven. Gradually over decades, such circumstances and traditional Swiss industriousness transformed a resource-poor alpine republic into one of the most prosperous societies on earth.

(U) Even now, in the 21st century, with its growing global political, economic, and environmental challenges, neutrality remains the cornerstone of Swiss foreign policy, a view supported by all major Swiss political parties. Switzerland is neither a member of NATO nor the European Union, and the Swiss public does not aspire to join either, according to public opinion polls. In a 2001 referendum, the Swiss voted to reject full EU membership. Instead, the Swiss opted for a series of so-called 'bilateral treaties' with Brussels to increase Switzerland's economic integration with the EU (by liberalizing movements of capital, goods, and labor), but preserve the country's ultimate sovereignty.

(C) In a 2002 referendum, 55% of the Swiss voted to join the United Nations. Proponents argued that UN membership would allow Switzerland to make its discrete views better heard on global issues. The decision was heavily opposed by the conservative nationalist Swiss People's Party (SVP) run by Christoph Blocher, which argued it would weaken the country. UN membership has forced Switzerland to take positions on a range of issues on which it could have previously remained silent. However, when faced with a particularly controversial issue, the Swiss often abstain, such as in the recent vote on whether to refer the question of Kosovo's independence to the ICJ.

U.S.- Swiss Relations

(C) U.S.-Swiss relations are correct and cordial, but they lack the natural intimacy and trust that stems from a shared struggle against Fascism or Communism, a common language, or linked history. U.S. and Swiss soldiers never fought side-by-side in a war, no Swiss town felt an emotional bond to the U.S. for a past liberation or economic assistance program, and no flood of Swiss political dissidents or economic migrants had to seek shelter on U.S. shores.

(C) Despite paying lip service to the useful democratizing and stabilizing role the U.S. has played in modern Europe's history, the Swiss foreign policy establishment is at heart convinced that Switzerland's well-being and success is of its own making, and the country owes a debt to no one. As a result, the fabric of emotional and historical ties between Switzerland and the United States is thinner than with many other countries, and there is no store of historical goodwill or accumulated political capital upon which to draw.

(C) This does not mean that the U.S. and Switzerland cannot cooperate effectively in many areas. However, the ways in which the Swiss choose to work with us (such as on global economic, environmental or humanitarian issues) are those where they believe our rational self-interest coincides and which do not require Switzerland to abandon its strict neutrality on international armed conflicts.

(C) Internal debates over Swiss foreign policy tend to focus more on the 'style and body language' of its neutrality rather than its substance. Swiss Federal Councilor for Foreign Affairs Micheline Calmy-Rey is resented in some Swiss circles for her high-profile attempts to offer Switzerland as an intermediary in various disputes, which runs counter to Switzerland's tradition of discrete, low-profile diplomacy. Thus, for example, Switzerland's recent 'offer' to represent Russia's interests in Tbilisi came almost as soon as the hot phase of the conflict ended. However, the Swiss Department of Foreign Affairs (EDA) strategists believe the move was an effective way to underline Switzerland's status as neutral and pose a counterpoint to its representation of U.S. interests in Tehran and Havana. (It also represents Iran's interests in Washington).

(C) One of the most recent points of tension between the United States and Switzerland was the decision of the Swiss gas company EGL to enter into a long-term contract to buy natural gas from Tehran. Swiss Foreign Affairs Councilor Calmy-Rey has cited it as one of the achievements of her activist style of diplomacy, which has allowed Switzerland to win Iran's trust. While Switzerland has supported UN sanctions against states of proliferation, including Iran, in Iran's case, the Foreign Ministry has pursued its own "Swiss Plan," which has on several occasions sent the wrong message to Iran given the Swiss protecting power mandate for the U.S. (see Political Issues for important expanded history on the Iran Dossier).

Liechtenstein

(U) The United States enjoys excellent relations with the Principality of Liechtenstein and its hereditary ruling royal family. Despite having only 33,000 inhabitants, the Principality is an important banking center, providing 'offshore' financial services to thousands of foreign clients. The numerous banks and holding companies located in the Principality manage more than \$150 billion of client assets and generate roughly 30% of the country's GDP. Like Switzerland, Liechtenstein has adopted neutrality as its foreign policy strategy and often follows Bern's lead on international issues. In many countries, Liechtenstein relies on the Swiss Embassy to represent its interests. For these reasons, the U.S. Embassy in Bern devotes only a fraction of its time to managing bilateral relations with Liechtenstein. Our most substantive interactions have involved seeking ways to improve our cooperation in the fight against money laundering and terrorist financing and on how to prevent Liechtenstein's bank secrecy laws from being used by U.S. taxpayers to evade taxes.

Terrorist Financing

(U) Liechtenstein and the United States signed a mutual legal assistance treaty in 2002 focused on jointly combating money laundering and other illegal banking activities. Close relations with our Liechtenstein counterparts, such as Liechtenstein's Financial Intelligence Unit (FIU), have helped the embassy resolve issues before they become problematic. For example, in April 2007, Liechtenstein halted the transfer of Boeing MD-80 aircraft from Germany to Iran via Liechtenstein. Since September 11, Liechtenstein has also frozen approximately \$150,000 in terrorist assets. Liechtenstein is a party to the UN Convention on Terrorist Financing and in March 2008, Liechtenstein hosted the working meeting of the Egmont Group) the worldwide association of national Financial Intelligence Units.

Tax Evasion

(C) Like Switzerland, Liechtenstein draws a fine line between banking privacy and secrecy and exempts individuals for tax evasion, but not tax fraud, from criminal prosecution. These technical differences have hindered efforts to obtain banking information on U.S. citizens suspected of tax evasion. Liechtenstein's largest bank, LGT, which is operated by the royal family, is under scrutiny (and pressure from the U.S. Senate) for allegedly encouraging U.S. citizens to commit tax evasion and tax fraud. As a result, the U.S. and Liechtenstein are currently negotiating a Tax Information Exchange Agreement, which should provide more open access to information and additional avenues for legal cooperation where tax fraud is concerned.

Private Sector

(U) Leaders in the private sector (CEOs, CFOs, public affairs officers, etc.) and NGO arenas can wield considerable influence in political matters when they choose to get engaged.

(U) Typically, they are less involved in Switzerland than our experience in the U.S., but it is a good investment for the COM, DCM, Pol/Econ, Public Affairs, and Commercial officers to develop relationships in these sectors. From programs and panels at the WEF, Swiss-American Chamber events, programs, and issues, and underwriting of exchange programs like the U.S.Fulbright-Swiss Scholarship Program, to general support of our Embassy and mission, the private sector and NGOs can positively influence our success.

(U) The private sector can also enhance the public's positive perception of the U.S. and our policies.

Political Issues

(C) The decentralized nature of political power in Switzerland is unique in Europe. Far from having a unitary Executive, the Swiss government is led by a seven-member cabinet -- the Federal Council. The Swiss presidency is largely ceremonial and rotates annually between different members of the Federal Council. Even for those accustomed to dealing with the complex political geometries of European coalition governments, the Swiss form of decision making can be disorienting. With the exception of the rightist Swiss People's Party that opted for an opposition role last year, all the major political parties are represented on the Federal Council, spanning a broad spectrum from left to right. Each Federal Councilor (Minister) serves at his or her own pleasure and enjoys an ill-defined but generally high degree of autonomy. While key policy decisions are taken by the entire Council -- sometimes via vote -- its deliberations are strictly secret, and the Swiss have a long-standing tradition whereby Federal Councilors avoid publicly criticizing each other. The end result is a seemingly amorphous policy-making process in which decisions are implemented with considerable freedom of interpretation by senior representatives of political parties having often diverging interests.

(C) An additional "x factor" in Swiss decision making is the ability of the Swiss people to initiate or to strike down legislation via an expansive and oft-used referendum mechanism. It only takes 50,000 certified Swiss signatures to force a public vote. The threat of a referendum is a fact of Swiss political life that no politician here can ignore, and something that Swiss officials frequently flag for us) particularly when we ask them to do something difficult.

(C) Dealing with these unique elements of the Swiss political system demands patience and flexibility but can pay

important dividends. Given its international reputation for mediation and diplomatic competence, Switzerland's influence on the international stage is significantly greater than one would otherwise assume for a country of its size. Standing outside of the EU and NATO, Switzerland sees its comparative advantage as working the seams via diverse and variable coalitions of convenience. With enough effort and coordination, the Swiss advantage in this respect can sometimes become our own, as was the case with the strong supportive roles the Swiss have played on Kosovo's independence, on obtaining the release of American citizens wrongfully detained in Iran, on addressing interoperability concerns with the Oslo Accord on cluster-munitions, on the establishment of the Forum for the Future, and with the resolution of the Magen David Adom dispute. But getting successful outcomes requires strategic patience on our part and a willingness to take the time to cultivate relationships with each of the Federal Councilors, as well as with industry leaders. In doing so, I have come to appreciate that the extensive horse-trading endemic to the Swiss tradition of political compromise sometimes gives unlikely actors influence on issues of interest to us.

(C) As noted above, the Swiss penchant for equidistance sometimes works to our advantage. However, on one key issue of the past two years) the Iran nuclear problem) Switzerland's instinct "not to take sides" has harmed international efforts. While many Swiss clearly understand and take seriously the threat that Iran's dangerous nuclear program represents to our mutual interests, FM Calmy-Rey has apparently seen in this dispute an opportunity to raise her own profile. While we and the members of the P5 + 1 group, the EU, and other like-minded states have made considerable progress in increasing the pressure on Iran, Calmy-Rey's ministry has undercut these efforts at several turns by offering an alternative "Swiss Plan" for resolving the dispute. The Swiss Plan and Calmy-Rey's infamous trip to Tehran in March to secure a major new gas deal with Iran for Swiss firm EGL, have surely given Iran some reason to believe that it can continue to resist pressure to meet its international obligations.

(C) Swiss behavior regarding Iran is of particular concern because Switzerland has been our Protecting Power in Iran since 1980, and since Switzerland was re-elected to the IAEA Board of Governors last fall. It has required much effort on our part to contain Swiss activism on Iran, culminating with a public endorsement in July of the P5 + 1 proposal by President Couchepin, along with assurances that Switzerland would no longer promote its own initiatives for resolving the Iran nuclear dispute. At the same time, the Swiss have taken increasingly firm and constructive stances regarding Iran at the IAEA, thanks in no small part, I believe, to our lobbying.

(C) However, President Couchepin's recent declaration, which received broad press coverage (see July NZZ Sonntag article), "For several weeks the Swiss position in the Iran-Nuclear dispute is completely clear. There is no special initiative any more. We do not look for a special mediation/way. Instead we support the position of the P5 + 1 countries, and we hope that Iran will give in," has effectively muzzled the Foreign Ministry's determination to pursue its own "Swiss Plan."

(C) If and when this or the new administration wishes to explore a diplomatic dialogue on the Iranian nuclear proliferation issue, perhaps we could engage the Swiss at the outset to truly represent us, with the understanding at that point, that they would only deliver our message, and not something diluted by independent Swiss thinking. If and when such a dialogue is in our best interests, I believe the Swiss and their Foreign Ministry would jump at the chance to truly represent us without prejudice and with strict guidelines. This idea is worth exploring if an appropriate opportunity presents itself.

(SBU) To reinforce our ability to identify and pursue goals of mutual interest, in 2006 we signed a MoU with the EDA

initiating a so-called "Political Framework for Intensified Cooperation." Though such instruments are always at risk of becoming merely talk-shops, the EDA places high importance on the Framework, making it a potentially useful tool for us to define and achieve USG goals, including in such areas as promoting civil society in the Broader Middle East and North Africa, human rights, peace support operations in the Balkans and Africa, and counterterrorism.

Economic Issues

(U) Switzerland's highly advanced and diversified economy has so far proven comparatively resilient in the global financial crisis. The Swiss government estimates that GDP growth will fall from roughly 1.9% in 2008 to a maximum 1.0% in 2009. Switzerland's GDP in 2007 totaled 512 billion CHF (\$450 billion), resulting in a per capita GDP of about \$60,000, according to the IMF. Only three percent of Swiss wage-earners take home less than 3,000 CHF per month, and one out of five Swiss pensioners has a net worth of more than 1,000,000 CHF. Unemployment is 2.3%. Switzerland is home to a disproportionate number of large European multinationals, and global companies such as Nestl, Novartis, Roche, Credit Suisse and UBS gave the Swiss Stock Exchange a market capitalization equal to roughly 2/3 that of Germany's.

(U) U.S.-Swiss economic ties are robust and long-standing, and they contribute most positively to our political relationship with Switzerland. The economic sphere is an area where both sides perceive a clear win/win situation. Swiss firms have collectively invested over \$140 billion in the United States and employ nearly 500,000 U.S. workers, ranking Switzerland seventh among all foreign investors in the U.S. On the other side, more than 600 U.S. enterprises have together invested more than \$90 billion in Switzerland, providing jobs for 70,000 people (or about 2% of the nation's entire labor force.) Switzerland is a preferred location for the European headquarters of a number of top U.S. multinationals (Caterpillar, GM, Dow Chemical, DuPont, Colgate-Palmolive, etc.), while U.S. citizens head up some of Switzerland's bluest of blue chip companies. These include Brady Dougan at Credit Suisse, Michael Mack at Syngenta, and James Schiro at Zurich Financial Services. The Swiss bank UBS actually has more employees in the United States (32,000) than it does in Switzerland (27,000).

(U) Despite the lack of a free trade agreement, U.S. trade with Switzerland is largely free outside of agriculture, and Switzerland is a strong supporter of global services and manufacturing trade liberalization. In 2007, U.S. merchandise exports to Switzerland rose 18.5 percent to \$17.0 billion (making the alpine country our 17th largest export market). At the same time, merchandise imports from Switzerland rose 3.7 percent to \$14.8 billion. Key U.S. exports to Switzerland included precious stones and metals, pharmaceutical products, art and antiques, optical and medical instruments, and aircraft, while top U.S. imports from Switzerland included pharmaceutical products, clocks and watches, machinery, optical and medical instruments, and chemicals. Although most trade and business activity takes place entirely in the private sector, the Mission must still occasionally intervene with Swiss authorities to defend U.S. commercial interests.

(U) In 2005, Switzerland's Federal Council decided to propose exploration of a free trade agreement with the United States. The attempt foundered on opposition from Switzerland's highly-protected farm sector. Instead, the U.S. and Swiss governments agreed to establish a bilateral Trade and Investment Cooperation Forum to address small yet sensitive trade issues. Under its auspices, in October 2008 the two governments signed an 'E-Commerce Declaration,' which provides a framework for cooperation to improve trade conditions for these services. In addition, a 'Safe Harbor Agreement' to allow free flow and effective protection of personal data is in the final states of negotiations and is

likely to be concluded before the end of 2008.

(U) Also this year, the U.S. and Switzerland concluded an expanded Open Skies Agreement, and are exchanging discussion drafts on a 'Multilateral Convention on International Investment in Airlines.' The U.S., Switzerland, and several other countries are also engaged in negotiating the Anti-Counterfeiting Trade Agreement, (ACTA), which held its last negotiating round in Tokyo in October 2008 and is intended to increase international cooperation and strengthen the framework of practices that contribute to effective IPR protection.

(U) Another tool utilized by the Mission to promote trade is the U.S.-Swiss Joint Economic Commission (JEC). The JEC meets once a year to discuss and resolve bilateral misunderstandings. The JEC also holds a panel at the World Economic Forum at Davos, the premier international event of its kind, as documented in the World Economic Forum section below.

(U) The JEC panel, which is organized by the Mission in cooperation with the Swiss Department of Foreign Affairs, the Swiss-American Chamber of Commerce, and EconomieSuisse, allows the mission to publicize USG messages to an influential global audience, such as supporting the Doha Round at the 2008 panel and addressing the impact on trade of the global financial crisis, the topic of the upcoming 2009 panel.

World Economic Forum

(U) The World Economic Forum (WEF) annual meeting in Davos, Switzerland, is unlike any other event of its kind. Over a five-day span at the end of January each year, 2,000 world leaders, Fortune 500 chief executive officers, international media moguls and nongovernmental organization (NGO) leaders gather in the small alpine village of Davos to participate on panels, in industry meetings and in "off the record" sessions. The WEF meetings in Davos have been a ripe target for public diplomacy efforts over the past 38 years, and the WEF's founder, Dr. Klaus Schwab, has preserved the original intent of the forum in maintaining its focus as a place for informal dialogue and debate on major social and economic problems.

(U) Davos 2008 was an important milestone for the United States. During the final year of the Bush presidency, the administration dispatched five cabinet secretaries, three deputy secretaries, and numerous undersecretaries to Davos. Secretary of State Condoleezza Rice, Secretary of Homeland Security Michael Chertoff, Secretary of Energy Samuel Bodman, Secretary of Education Margaret Spellings, U.S. Trade Representative Susan Schwab, and Deputy Secretary of the Treasury Robert Kimmitt, participated in five days of panels and discussions that covered topics ranging from Middle East peace, climate change, and educational reform to immigration, financial market stability, and trade liberalization.

(U) Embassy Bern has worked closely with Klaus Schwab and his WEF team to include U.S. delegations that not only speak with strength and conviction on the global issues of our time, but are also internationally recognized experts on the pressing issues of the day. During the last three years, our Mission has helped shape six panels for Klaus and his team. The environment, challenges in the global financial arenas, energy security, global prosperity, and Muslim outreach are among the topics on which we have collaborated with Dr. Schwab. No other nation works so closely with the WEF on topics and participants, and no other nation has our record of success in organizing panels for key officials.

(U) Engaging a skeptical world is not an easy task. Public diplomacy is vital if the United States is to correct skewed

impressions. Communication and public diplomacy are major reasons for the success of the World Economic Forum's annual meeting in Davos. Klaus Schwab has made Davos media-friendly. One of his primary goals each year is to expand the media's reach. As a result, world leaders travel to the Swiss Alps to deliver addresses aimed at their constituents around the world. It has been an effective platform for the United States Government and private sector leaders to support and advance America's missions and values.

Foreign Commercial Service

(U) The U.S. Foreign Commercial Service (FCS) has the lead on providing promotional support and advocacy for U.S. exporters and on attracting Swiss business investment to the United States. Thus, it intervened with Swiss authorities in the telecom sector to obtain regulatory approvals and in the pharmaceutical sector to expand insurance reimbursements. In aerospace, FCS and Mission management facilitated export licenses leading to millions of dollars in U.S. exports. Over the past year, FCS developed programs with multiple U.S. universities to attract Swiss students to the U.S.A. In October 2008, it mounted a USDOC-certified U.S.A. Pavilion at WorldDidac (an educational fair in Basel). These activities took place at the same time as we were consolidating the operations of our FCS Zurich office into the new Embassy in Bern.

(U) Our strong relationship with the Swiss-American Chamber of Commerce is a vital asset in our efforts to promote U.S. business. The 41-person board of directors of the Chamber is a Who's Who of the Swiss business community led by Executive Director Martin Naville who is one of our biggest friends and assets in-country. Virtually every board member is a CEO or senior officer of a major corporation in his/her own right. There is probably no better high-level, pro-U.S. audience in Switzerland with which to promote investment in the U.S. In June 2008, I rolled out the Commerce Department's Invest in America Initiative in a speech to nearly 400 Swiss AmCham members and guests. In November 2008, the Chamber and FCS will co-host an Invest in U.S.A. Seminar with speakers from Commerce, Treasury, State, and Homeland Security. Finally, in June 2008 FCS consummated its "Transformational Commercial Diplomacy" initiative for Switzerland by integrating its Zurich office with the Embassy in Bern.

Management

(U) In June 2008, the Mission completed the sale of the government-owned chancery complex and moved to a newly-renovated, short-term lease property. It represents a substantial upgrade in embassy habitability, and the new building occupies a geographically central location in Bern that minimizes transportation movements in our daily business. The USG-owned Chief of Mission Residence (CMR) is located next to the new chancery.

Post Security

(C) The Mission's overall security posture significantly improved with the relocation of the Embassy. The physical security of the building is excellent; it is outfitted with modern hardline doors, windows and barriers, and we achieved significantly more "setback" from the street. Moreover, we now control all vehicles entering and exiting the compound, which was not the case in the previous location. Technical security also improved with better-constructed and well-defined CAAs.

(C) The Regional Security Officer (RSO) faces a challenging audience when dealing with Swiss authorities on Post security. Many Swiss authorities do not consider the United

States Embassy in Bern as a high-value target for terrorists; this fallacy and its resulting challenges require frequent intervention and lobbying by the RSO. Recurring conversations and education resulted in positive instances of excellent security support. We succeeded in persuading Swiss authorities not to cut the number of posts currently manned by either Swiss law enforcement or military. In addition, we have requested and received security support for dozens of high-level U.S. officials either visiting or transiting Switzerland. The response of Swiss authorities to security incidents has been commendable. They sent a well-trained professional team to the Embassy to deal with a "white powder" incident, and on several occasions have controlled and mitigated suspicious individuals or vehicles in the area of the Embassy. They sent appropriate support for demonstrations directed at the Embassy and for special events such as the July 4th celebration. On occasion, the RSO has requested and received close protection for me at large public events.

(C) The most disappointing security issue was the rejection by the Swiss government of our request to deploy a surveillance detection team. The decision was made at the highest levels (the Federal Council) and was conveyed to us by the Foreign Ministry. The chances of reversing that decision are poor considering the high level of political attention it received. The RSO will continue to work with his resources and coordinate with Swiss authorities to provide appropriate levels of security support.

Defense Attach Office

State of the Partnerships

(U) Switzerland's continued presence in the Balkans, level of engagement in NATO's Partnership for Peace, and its recent decision to withdraw the two military officers assigned to ISAF reflect a military willing and at least superficially able to contribute to regional security but severely constrained politically. As Switzerland tries to find its niche on the geo-strategic security stage, it has begun to focus limited efforts towards Africa. Given the current turmoil within the Defense Ministry and the recent abrupt resignation of the current Defense Minister Samuel Schmid, Swiss engagement abroad will increasingly be under the auspices of the Foreign Ministry.

Greatest Challenges

(U) The Swiss military is limited by law to participating only in peace support operations (PSOs) -- as opposed to peacekeeping or peace enforcement -- and only under the auspices of either a UN or an OSCE mandate. Furthermore, the standing posture of the military's involvement in PSOs and other military engagements is participation under a multilateral umbrella, equally avoiding bilateral involvement's with either NATO or the EU.

Contribution to Regional Stability, Democracy, and Foreign Assistance

(U) On September 20, 2007, the Swiss parliament voted to double the number of peace support operations troops from 250 to 500. While the actual realization of this effort will most likely occur beyond the 2010 timeline originally attached to the bill, it nevertheless provides insight into the Swiss desire to be seen as contributing to regional security and stability. Currently, Switzerland is coordinating through DAO Bern to donate medical equipment to the Afghan National Army. And, as mentioned previously, Switzerland is increasingly focused on disarmament, democratization, and reintegration efforts on the African continent.

(U) Our engagement initiatives with the Swiss military will continue to emphasize U.S. desires for them to maintain their

250-strong peacekeeping contingents deployed in Kosovo and Bosnia and broaden their NATO-partnership activities beyond Europe, and we will continue to explore cooperative ventures for improved regional security and stability in Africa. Towards that end, we will work in concert with both U.S. European Command (USEUCOM) and African Command (USAFRICOM).

We will continue to maintain a robust defense procurement relationship with the Swiss military, even as Swiss budgetary constraints manifest themselves in less outlay for acquisition. We will also continue to encourage the Swiss military to further utilize military assets -- particularly excess defense articles -- in humanitarian relief/aid efforts.

Law Enforcement

Counterterrorism and Law Enforcement Efforts

(U) The Federal Bureau of Investigation (FBI), Department of Homeland Security (DHS), and Drug Enforcement Administration (DEA) are the law enforcement entities represented at post. Other law enforcement offices are represented through regional offices. Ongoing efforts continue with the government of Switzerland to grant the Regional Security Office (RSO) law enforcement status.

(U) Switzerland strictly forbids investigative activity within its territory by U.S. law enforcement. Thus, a high reliance exists on the Swiss authorities to conduct investigations on behalf of the U.S. in Switzerland. Obstacles that have continued to hinder full cooperative efforts and the free exchange of information in this regard include an unfavorable Mutual Legal Assistance Treaty (MLAT) that requires Swiss notification to the subject and disclosure, and Switzerland's strict personal privacy statutes.

(U) This has reinforced the importance of the development of liaison and rapport with Swiss law enforcement authorities by U.S. law enforcement agencies at a working level, as well as efforts at the ministerial level to invigorate information sharing, particularly as it relates to counterterrorism and money laundering.

(U) As a result of these efforts, we have seen a measured improvement in overall Swiss cooperation with U.S. law enforcement authorities at the federal, cantonal, and local level. In addition, we remain optimistic concerning a new version of the Operative Working Arrangement (OWA) recently ratified by the Swiss parliament, which allows the formation of joint U.S.-Swiss investigative teams to address criminal and counterterrorism investigations with a U.S.-Swiss nexus.

(U) Our current challenge exists in continuing to enhance law enforcement cooperation, intelligence sharing, and efforts to apply the OWA in joint cases.

(U) Liechtenstein continues to be a model of cooperation for U.S. law enforcement, having offered legal assistance on important money laundering investigations and the arrest of significant U.S. fugitives. The principality continues to be in full compliance with the Financial Action Task Force requirements.

Public Diplomacy

(U) The Public Affairs Section (PAS) is lean, with one officer and three staff members. The budget supports limited programming, two IVLPs, and one to one-and-one-half I-Bucks speakers. Public Diplomacy outreach focuses on enhancing public support for the United States and its goals and on improving counterterrorism cooperation. Mutual understanding is advanced through intensive use of the Fulbright and IV Programs and alumni; actively engaging media in

Switzerland, s three major languages; increasing educational advising and university relationships; presenting multi-culturalism in the United States through Iftar, Black- and Women's History Month speakers; and programming American terrorism experts in all language regions.

(U) The last published media survey addressing Swiss anti-Americanism was Q1 2007. It ranked Switzerland as having the most anti-American levels in Western Europe. Moreover, a September 2008 interview with Swiss Ambassador to the United States Urs Ziswiler said he was concerned by the anti-American attitude of the Swiss. PAS believes anti-Americanism remains high: Inaccurate and/or negative stories about the United States or the Embassy continue in tabloids, free commuter papers and in the Geneva dailies. However, the investment in ramped-up outreach has yielded results, including dramatic increases in the number and diversity of Fulbright applicants; the number of universities hosting Embassy programming; the number of media inquiries and accurate stories; and alumni group participation and activity.

Consular

(U) In 2008, the Consular Section led an interagency effort to convince the Swiss government to begin negotiations on the Terrorist and Criminal Information-Sharing Agreement. To date, the Swiss have shown little interest in this proposal, arguing that such an agreement would be incompatible with Swiss privacy laws. The Consular Section is now attempting to get Swiss authorities to suggest their own version of such an agreement that would be consistent with Swiss privacy laws and still fulfill the intent of the U.S. proposal. We hope to lay the groundwork for a Swiss negotiating team to visit Washington in early 2009.

(U) The January 12, 2009, deadline for mandatory use of the Electronic System for Travel Authorization (ESTA, a DHS program for advance registration of travel to the U.S. so far aimed at Visa Waiver Program (VWP) travelers) is fast approaching. The Bern Consular Section has been active in getting the word out to airlines, tourist agencies, leading business groups, and the Swiss traveling public at large that ESTA is out there and that its use will be required for all Visa Waiver travel as of January 12. These outreach efforts have been assisted by FCS and PAS.

(U) The early arrival (August 2008) of the new Consular Section chief, permitting a 3-month overlap with the departing Section Chief, temporarily brought the Section's officer complement to the full staffing of four officers. This enabled Post to greatly reduce its large backlog of NIV appointments, which had occurred due to staffing gaps. Currently, the waiting period for an appointment is one week. As of early November, the Consular Section has found itself again short one officer, and only the seasonal drop in NIV applications has prevented the backlog from again approaching high levels. The next entry level officer is due to arrive in March 2009. Post is seeking TDY/WAE support in the meantime to keep the situation from assuming the unacceptable Spring-Summer 2008 proportions.

Conclusion

I would like to thank the following dedicated and talented career officers at Embassy Bern who have worked with me in advancing our mission in Switzerland and Liechtenstein. They contributed significantly to this memorandum and remain committed to working under the leadership of Deputy Chief of Mission and Chargé, Leigh Carter, until the next ambassador arrives.

Deputy Chief of Mission, Leigh Carter
Political/Economic section: Richard Rorvig, Chris Buck,

Leslie Freriksen, Meg Goldfaden, and Diane O,Guerin
Foreign Commercial Service: Donald Businger
Management: Jonathan Schools
Regional Security Office: Brian Murphy
Defense Attach Office: Colonel Dorothea Cypher-Erickson
Department of Homeland Security: Michael McCool
Drug Enforcement Administration: E. Joe Kipp
Federal Bureau of Investigation: Danny Boyd
Public Diplomacy: Lisbeth Keefe
Consular: Ed Birsner

Thank you for this opportunity to serve my country.

Ambassador Peter R. Coneway

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